



**STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
STATE CAPITOL  
NASHVILLE, TENNESSEE 37243-0285**

**DAVE GOETZ  
COMMISSIONER**

FOR IMMEDIATE RELEASE  
MONDAY, OCTOBER 23, 2006

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## **SEPTEMBER REVENUES**

NASHVILLE - Tennessee revenue collections for September continue to reflect the state's strong economy. Finance and Administration Commissioner Dave Goetz today reported that overall September revenues were \$977.4 or 3.35% over September 2005 collections.

The September figure includes the impact of the sales tax holiday held August 4 - 6, 2006. Retailers reported sales figures for August during the month of September, and based on Department of Revenue preliminary projections, Tennesseans avoided \$11.1 million in state sales taxes and \$3.7 million in local taxes during the three-day period.

"The total impact to the state is \$14.8 million, as we made sure local governments didn't suffer a \$3.7 million loss in local option taxes, as the state said it would do when Governor Bredesen proposed the holiday," Goetz said. "When we factor in the impact of the tax holiday, and account for a \$9.4 million non-recurring audit assessment received in September 2005, the underlying growth rate for September 2006 is 7.61%, which we consider to be strong revenue growth."

On an accrual basis, September is the second month in the 2006-2007 fiscal year.

September collections were \$21.2 million less than the budgeted estimate. The general fund was under collected by \$23.0 million and the four other funds were over collected by \$1.8 million.

Sales tax collections were \$11.5 million less than the estimate for September. The September growth rate was 2.98%.

Franchise and excise taxes were \$11.6 million below the budgeted estimate of \$270.7 million.

Gasoline and motor fuel collections decreased by 3.65% but they were \$1.0 million above the budgeted estimate of \$71.5 million.

Inheritance taxes were over collected by \$200,000 for the month. All other taxes were over collected by a net \$1.6 million.

Year-to date collections for two months were \$39.6 million less than the budgeted estimate. The general fund was under collected by \$41.7 million and the four other funds were over collected by \$2.1 million.

The budgeted revenue estimates are based on the State Funding Board's consensus recommendation adopted by the second session of the 104<sup>th</sup> General Assembly in May of 2006.

<p align="center"><b>REVENUE COLLECTIONS</b>  <b>SEPTEMBER, 2006, AND 2 MONTHS YEAR-TO-DATE</b></p>
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**September Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$858,228,000	\$835,223,000	(\$23,005,000)
Highway Fund	52,161,000	54,529,000	2,368,000
Sinking Fund	25,876,000	25,787,000	(89,000)
City & County Fund	59,789,000	59,347,000	(442,000)
Earmarked Fund	2,514,000	2,526,000	12,000
<b>Total</b>	<b>\$998,568,000</b>	<b>\$977,412,000</b>	<b>(\$21,156,000)</b>

**Year-To-Date Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$1,503,560,000	\$1,461,835,000	(\$41,725,000)
Highway Fund	105,310,000	108,781,000	3,471,000
Sinking Fund	51,820,000	51,633,000	(187,000)
City & County Fund	119,969,000	118,710,000	(1,259,000)
Earmarked Fund	4,966,000	5,018,000	52,000
<b>Total</b>	<b>\$1,785,625,000</b>	<b>\$1,745,977,000</b>	<b>(\$39,648,000)</b>

**Table 1**  
**Tennessee Department of Revenue**  
**Comparative Statement of Collected Revenues**

Class of Tax	September			
	2005	2006	Change	Percent
Franchise & Excise	\$240,005,000	\$259,111,000	\$19,106,000	7.96%
Income	2,556,000	926,000	-1,630,000	-63.77%
Inheritance & Estate	5,788,000	5,410,000	-378,000	-6.53%
Gasoline	54,742,000	53,018,000	-1,724,000	-3.15%
Petroleum Special	5,746,000	5,660,000	-86,000	-1.50%
Tobacco	10,551,000	10,123,000	-428,000	-4.06%
Beer	1,767,000	1,645,000	-122,000	-6.90%
Motor Vehicle Registration	17,658,000	20,767,000	3,109,000	17.61%
Motor Vehicle Title	915,000	953,000	38,000	4.15%
Mixed Drink	3,768,000	4,232,000	464,000	12.31%
Business	2,672,000	1,358,000	-1,314,000	-49.18%
Privilege	25,218,000	24,529,000	-689,000	-2.73%
Gross Receipts	34,000	445,000	411,000	1,208.82%
TVA - In Lieu of Tax Payments	18,539,000	17,988,000	-551,000	-2.97%
Alcoholic Beverage	3,235,000	3,451,000	216,000	6.68%
Sales and Use	537,585,000	553,587,000	16,002,000	2.98%
Motor Vehicle Fuel	14,793,000	13,856,000	-937,000	-6.33%
Severance	170,000	93,000	-77,000	-45.29%
Coin-operated Amusement	8,000	7,000	-1,000	-12.50%
Unauthorized Substance	23,000	253,000	230,000	1,000.00%
<b>Total</b>	<b>\$945,773,000</b>	<b>\$977,412,000</b>	<b>\$31,639,000</b>	<b>3.35%</b>

**Table 2**  
**Tennessee Department of Revenue**  
**Comparative Statement of Collected Revenues**

Class of Tax	August - September			
	2005-2006	2006-2007	Change	Percent
Franchise & Excise	\$273,681,000	\$287,234,000	\$13,553,000	4.95%
Income	4,130,000	3,762,000	-368,000	-8.91%
Inheritance & Estate	13,120,000	12,235,000	-885,000	-6.75%
Gasoline	103,788,000	102,746,000	-1,042,000	-1.00%
Petroleum Special	10,911,000	10,978,000	67,000	0.61%
Tobacco	22,615,000	21,046,000	-1,569,000	-6.94%
Beer	3,383,000	3,244,000	-139,000	-4.11%
Motor Vehicle Registration	36,832,000	41,545,000	4,713,000	12.80%
Motor Vehicle Title	1,967,000	2,008,000	41,000	2.08%
Mixed Drink	7,555,000	8,428,000	873,000	11.56%
Business	3,751,000	4,439,000	688,000	18.34%
Privilege	46,664,000	48,944,000	2,280,000	4.89%
Gross Receipts	12,708,000	14,144,000	1,436,000	11.30%
TVA - In Lieu of Tax Payments	36,578,000	36,332,000	-246,000	-0.67%
Alcoholic Beverage	6,083,000	6,213,000	130,000	2.14%
Sales and Use	1,070,140,000	1,112,006,000	41,866,000	3.91%
Motor Vehicle Fuel	29,415,000	30,066,000	651,000	2.21%
Severance	298,000	231,000	-67,000	-22.48%
Coin-operated Amusement	39,000	43,000	4,000	10.26%
Unauthorized Substance	83,000	333,000	250,000	301.20%
<b>Total</b>	<b>\$1,683,741,000</b>	<b>\$1,745,977,000</b>	<b>\$62,236,000</b>	<b>3.70%</b>

**Table 3**  
**August - September Revenue Overcollections/(Undercollections)**  
**Budgeted Estimate**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Sales Tax	\$ (26,400,000)	\$ (1,300,000)	\$ (27,700,000)
Income Tax	800,000	400,000	1,200,000
Inheritance Tax	(1,800,000)	0	(1,800,000)
Privilege Tax	2,900,000	100,000	3,000,000
Business Tax	900,000	0	900,000
TVA	(600,000)	(500,000)	(1,100,000)
Gross Receipts	1,200,000	0	1,200,000
Gasoline & Motor Fuel Taxes	(100,000)	(700,000)	(800,000)
Motor Vehicle Registration	700,000	3,800,000	4,500,000
Other Taxes	0	300,000	300,000
<b>Sub-Total</b>	<b>\$ (22,400,000)</b>	<b>\$ 2,100,000</b>	<b>\$ (20,300,000)</b>
F & E Taxes	(19,300,000)	0	(19,300,000)
<b>Total</b>	<b>\$ (41,700,000)</b>	<b>\$ 2,100,000</b>	<b>\$ (39,600,000)</b>